

# **SUBMISSION ON** Freshwater Policy Review

7 August 2023

**To:** Waikato Regional Council

**Name of Submitter:** Horticulture New Zealand

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# OVERVIEW

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## Our submission

Horticulture New Zealand (HortNZ) thanks Waikato Regional Council for the opportunity to submit on the Freshwater Policy Review and welcomes any opportunity to continue to work with Council and to discuss our submission.

# HortNZ's Role

## Background to HortNZ

HortNZ represents the interests of approximately 5,500 commercial fruit and vegetable growers in New Zealand who grow around 100 different fruit and vegetables. The horticultural sector provides over 40,000 jobs.

There is approximately, 80,000 hectares of land in New Zealand producing fruit and vegetables for domestic consumers and supplying our global trading partners with high quality food.

It is not just the direct economic benefits associated with horticultural production that are important. Horticulture production provides a platform for long term prosperity for communities, supports the growth of knowledge-intensive agri-tech and suppliers along the supply chain; and plays a key role in helping to achieve New Zealand's climate change objectives.

The horticulture sector plays an important role in food security for New Zealanders. Over 80% of vegetables grown are for the domestic market and many varieties of fruits are grown to serve the domestic market.

HortNZ's purpose is to create an enduring environment where growers prosper. This is done through enabling, promoting and advocating for growers in New Zealand.



## HortNZ's Resource Management Act 1991 Involvement

On behalf of its grower members HortNZ takes a detailed involvement in resource management planning processes around New Zealand. HortNZ works to raise growers' awareness of the Resource Management Act 1991 (RMA) to ensure effective grower involvement under the Act.

# Submission

## 1. Recognising Fruit and Vegetables

The Waikato Region is a significant producer of fruit and vegetables for export and domestic supply.

The value of domestic food supply in resource allocation decision making concerning freshwater has been recognised within a series of policy instruments including:

- NPSFM specified vegetable growing areas
- Horizons PC2 Policy 14-6
- Canterbury PC7 section 42A reply, Policy 4.36A.

In the Waikato region, this has also been specifically recognised in proposed Waikato Regional Plan Change 1 to Policy 3 (decisions version).

More direct recognition of the supply of fruit and vegetables matters are likely in the future planning system. On 27 June 2023, the Environment Committee report on the Natural and Built Environment Bill was published. The Environment Committee recommended, by majority, that it be passed with amendments that include the need for the National Planning Framework to provide mandatory direction on enabling supply of fresh fruit and vegetables. The committee stating that:

*We consider that ensuring the domestic supply of fresh vegetables and fruit is specifically worth attention in the NPF<sup>1</sup>*

## 2. Specified Vegetable Growing Area

A special combination of climatic conditions and soil type mean that much of the Waikato regions commercial vegetable production output in the winter and spring months is not substitutable in New Zealand. The national significance of commercial vegetable production in the Waikato is expressed through the NPSFM 2020.

The NPSFM 2020 includes two specified vegetable growing areas (SVGA). One of these is the Pukekohe growing area which is partly located in the Lower Waikato FMU. Pursuant to 3.33 of the NPSFM 2020, Waikato Regional Council is required to have specific regard to the contribution the specified vegetable growing area makes to the domestic supply of vegetables and maintaining food security for New Zealanders, when implementing the NPSFM.

The SVGA provisions in the NPSFM, are a reflection that there is a national value for domestic supply of fresh vegetables and maintaining food security for New Zealanders.

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<sup>1</sup> natural-and-built-environment-bill-proof.pdf (www.parliament.nz)

When implementing any part of the NPSFM as it applies to an FMU or part of an FMU that is in, or includes, all or part of a specified vegetable growing area, a regional council must have regard to the importance of the contribution of the specified growing area to:

- The domestic supply of fresh vegetables; and
- Maintaining food security for New Zealanders.

The boundary of the specified vegetable growing area is directed in Appendix 5 of the NPSFM.

When applying the NPSFM to the SVGA FMUs, a regional council may choose to set a target attribute state below the bottom line, if achieving a bottom line would compromise the domestic supply of fresh vegetables and maintaining food security for New Zealanders. Modelling undertaken by MPI<sup>2</sup> to support the SVGA policy indicated that achieving bottom lines in some of the lower Waikato sub-catchments without compromising the supply of fresh vegetables would need land use change for other activities.

In response to the SVGA, an integrated catchment management plan (ICMP) group has been established - Te Roopuu Mahia te Mahi. This group comprises: Te Tautara o Pukekohe/the Pukekohe ICMP Governance Group: Ngaati Te Ata, Ngaati Tamaoho, Ngaati Tiipa, Waikato-Tainui, and the Crown representatives of Ministry for the Environment and Ministry of Primary Industries; vegetable growers: represented by the Pukekohe Vegetable Growers Association and Horticulture NZ; and Councils: Auckland Council and Waikato Regional Council.

This group has established a vision, for the Pukekohe Growing catchments - including those within the Lower Waikato FMU:

*Te Ora o te Wai: a healthy freshwater environment flowing within and from Pukekohe where its wellbeing is protected and enhanced while supplying fresh vegetables for the health and wellbeing of the peoples of Aotearoa/New Zealand.*

In the context of the SVGA in the Lower Waikato FMU, decision makers should consider how provisions can be designed so as not to compromise the supply of fresh vegetables and food security.

#### **Outcome required**

The vision developed above must be reflected in the freshwater policy framework in the Waikato and while this vision is specific to the Lower Waikato FMU. Fresh fruit and vegetables food production occurs throughout the region and the relationship between that activity and freshwater should be recognised.

### **3. Te Mana o Te Wai**

#### **Te Mana o Te Wai and Domestic Food Supply**

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<sup>2</sup> [www.mpi.govt.nz/dmsdocument/42078-Pukekohe-Modelling-Report](http://www.mpi.govt.nz/dmsdocument/42078-Pukekohe-Modelling-Report)

Healthy food, in particular a reliable supply of reasonably priced vegetables and fruit for New Zealanders, is an essential human health need.

HortNZ argue fruit and vegetables for domestic supply should be afforded priority in resource allocation decisions, as a second priority under the Te Mana o Te Wai framework.

Recognising fruit and vegetables within the second priority obligation of Te Mana o te Wai, doesn't negate the need for fruit and vegetable growers to manage their environmental effects through good management practices and to operate within the freshwater limits established for the catchments they are operating within.

The hierarchy of obligations in Te Mana o te Wai defines three priorities: First, the health and well-being of water bodies and freshwater ecosystems. Within this priority there is no discretion in the interpretation. The priority is clear.

The second priority is the health needs of people. Here some discretion in interpretation or the ability to further define Te Mana o te Wai is provided.

The third priority in the hierarchy of obligations in Te Mana o te Wai is the ability of people and communities to provide for their social, economic, and cultural wellbeing now and in the future. Again, there is no discretion in the interpretation. The priority is clear.

As per the purpose of the RMA, the health needs of people and communities is a separate but parallel consideration to social, economic and cultural well-being matters. While food production, matters sit within the third priority, clearly the relationship of food production and water to the health needs of people places the value of food production as far as it supports human health within the second priority.

The food security of New Zealand is achieved through both self-sufficiency and self-reliance. Some foods (most fresh vegetables and some fresh fruit) are produced predominately for domestic supply and cannot easily be replaced by imports.

Freshwater management has the potential to have a stark impact on the cost and availability of these foods.

Other foods produced mainly for export (meat, milk, kiwifruit), support the food security of New Zealanders by supporting self-sufficiency and self-reliance through trade. Freshwater management has the potential to impact on the production and trade of these foods, but the influence of freshwater management decisions on the cost and supply of these foods for New Zealanders is lesser.

HortNZ consider that food production for domestic food supply (and food security) is a critical part for providing an essential human health need, and accordingly that it fits within the second hierarchy priority.

Specific feedback on the draft objectives is as follows:

- Support Objective 1 noting 1.1 and 1.2 aligns with HortNZs opinion on how Te Mana o te Wai should be applied locally however in line with wording from Policy 5 of the NPSFM, HortNZ recommends replacing 'protected' with 'maintained'.

*The health, resilience and wellbeing of the Waikato Region's freshwater resources is restored and ~~protected~~, **maintained** present and future generations' connections with freshwater are sustained, and land and water are managed on a whole of catchment basis, to give effect to Te Mana o te Wai*

- As it's written, HortNZ doesn't support objective 1.3 as the effects of human activities are not the only determination that affects the health and well-being of freshwater bodies. Weeds and pest animals, water use, land development, river control works and encroachment, climate change and damage from recreational use can all have an impact. HortNZ recommends changing the objective to:

*A range of activities ~~The effects of human activities~~ can determine the health and well-being of the Region's freshwater bodies **including human activities***

- Policy 4 of the NPSFM states that freshwater is managed as part of New Zealand's integrated response to climate change however this hasn't been included as a Te Mana o te Wai objective. The broader meaning of Te Mana o te Wai must inform the interpretation of the NPSFM and is about restoring the balance between water, the wider environment and the community. We suggest a new objective with an outcome that land and water management practices provide for the health and well-being of water bodies and freshwater ecosystems and improve resilience to the effects of climate change.

#### **Te Mana o te Wai Objective Outcome**

Land and water management practices provide for the health and well-being of water bodies and freshwater ecosystems and improve resilience to the effects of climate change.

## **4. FMU Long-Term Visions**

HortNZ is concerned that the proposed long-term visions do not provide for food production, as that activity relates to, relies upon and can achieve outcomes for freshwater. Because of the importance of fresh fruit and veg for domestic supply they should be recognised in each FMU alongside the more general food production value.

Safe drinking water has been included as a vision under most FMUs. It is impractical for all water to be safe for drinking. The wording should be changed to 'sufficient drinking water'.

### **Coromandel Long-term Vision**

Coromandel vision b states *Freshwater is clean, safe for drinking and contact recreation, swimmable, supports **sustainable food harvest**, and water supply is secure, for all species and for future generations.*

The interpretation of sustainable food harvest is unclear including why food hasn't been recognised in other FMUs. Clarification from council on what it means by 'sustainable food harvest' as opposed to just 'food harvest' would be appreciated.

### **Hauraki Long-term Vision**

- Hauraki vision b states that by 2054, the community collectively takes action and sustainable land management supports ecosystem health, freshwater values and the achievement of clauses a) and e).
- We consider that actions are likely before 2054 and that those actions will likely also support land use change and sustainable water management as a response to climate change and adaptation.

- While we support vision g, HortNZ recommends removing wording that returns water quality to a point in time gone by as there may not be sufficient water quality data available to support what that was:

*Water quality is above any national bottom line, further degradation is avoided and gradual improvements made over the next 10 years ~~with water quality returned to a [point in time or other state] in 50 years.~~*

### **Taupō Long-term Vision**

- Taupo vision e states that by 2034, sustainable land and water management practices support the achievement of clause (a) and ensure no new aquatic pest species are introduced.
- It is not clear why the issue of aquatic pests has been bundled into the same vision statement.
- HortNZ would like clarification on vision g - is council planning on limit setting based on fish retention? As currently drafted, it is unclear what fisheries and freshwater habitat are to be rehabilitated.

### **Upper Waikato Long-term Vision**

- The upper Waikato vision f states that by 2044, *sustainable land use and management supports ecosystem health and the achievement of clause a) and b) while also conserving and protecting the productive capacity of land.*
- We support the vision while noting that the vision should not be about *conserving and protecting the productive capacity of land (this is achieved through the National Policy Statement for Freshwater but would be better expressed as a vision that ensured food production is enabled through freshwater management. This vision could be replicated across all FMUs.*
- In regard to vision b, we make the same comments as noted above under Taupo.
- Under vision h, it is unclear what 'waterways are clean' means and why a safe habitat is not provided for all birds (it is unclear what a 'wetland bird' is)

### **Middle Waikato Long-term Vision**

As per the upper Waikato we consider this would be improved with a vision that ensured food production is enabled through freshwater management.

### **Lower Waikato Long-term Vision**

As previously described, an integrated catchment management plan (ICMP) group has been established (in response to the SVGA) - Te Roopuu Mahia te Mahi. This group comprises: Te Tautara o Pukekohe/the Pukekohe ICMP Governance Group: Ngaati Te Ata, Ngaati Tamaoho, Ngaati Tiipa, Waikato-Tainui, and the Crown representatives of Ministry for the Environment and Ministry of Primary Industries; vegetable growers: represented by the Pukekohe Vegetable Growers Association and Horticulture NZ; and Councils: Auckland Council and Waikato Regional Council.

This group has established a vision, for the Pukekohe Growing catchments - including those within the Lower Waikato FMU:



*Te Ora o te Wai: a healthy freshwater environment flowing within and from Pukekohe where its wellbeing is protected and enhanced while supplying fresh vegetables for the health and wellbeing of the peoples of Aotearoa/New Zealand.*

The long-term visions for the lower Waikato FMU is deficient in not including the above. It is further deficient in the lack of recognition of the highly productive land resource that dominates the FMU. This should be expressed through visions statements as follows:

- Highly productive land within the FMU retains access to freshwater while managing water quality; to ensure utility for fruit and vegetable production
- The stewardship of highly productive land is essential for the protection of ecosystem services derived from the use of water on highly productive land

Specific comments on the visions are:

- B refers to improving freshwater back to a state 100 years ago. As with previous comments on relating freshwater quality outcomes to a point in time, HortNZ does not support this approach. How would the attribute state be known from 100 years ago?
- H states that 'waterways are safe, easier to access, and provide for swimming and drinking water, weed and pest free and in 10 years there has been no decline in water quality'. This seems very strange in a number of respects - what does 'safe' mean and 10 years from when?

## **Waipa**

- Again, vision b refers improving freshwater back to a state 100 years ago. As with previous comments on relating freshwater quality outcomes to a point in time, HortNZ does not support this approach. How would the attribute state be known from 100 years ago?
- As reflected elsewhere, HortNZ would like clarification on vision d - is council planning on limit setting based on fish retention? As currently drafted, it is unclear what fisheries and freshwater habitat are to be rehabilitated.

## **5. Environmental outcomes and target states**

### **5.1. Environmental outcomes/values**

HortNZ supports the majority of the environmental outcomes (or values as stated in the NPSFM).

#### **Commercial and Industrial Use**

The 'Commercial and Industrial Use' value has been omitted from the Coromandel FMU because council has not identified any uses within the FMU.

This value relates to flow regimes and instream water quality to support abstractions and discharges:

- Flow regimes that provide the volume and reliability abstraction to support the activity for commercial matters such as frost fighting and crop washing, post-harvest and food processing

- Target attribute states that provide abstracted water of suitable water quality to support the commercial activity, for example managing food safety risks for crop washing
- Target attribute states that provide for non-point and point-source discharges associated with the commercial activity, for example sufficient capacity within target attribute states to assimilate nitrate leaching from orchards operating at good management practice.

There are 470 hectares of orchards and short rotation cropland in the Coromandel. In addition, one of the bulk suppliers to the kiwifruit industry has a significant greenhouse located in Coromandel which supplies bulk plants and grafted rootstock for green, gold and red kiwifruit plants to orchards throughout New Zealand.

A leased Seeka Peninsula cool store and packhouse which is located in Whenuakite packs in excess of 1 million trays of fruit per year and the cool store capacity is around 700,000 trays.

Current resource consents service the pack house and 22ha of kiwifruit orchards on two properties. Via reservoirs, this provides for irrigation, frost protection and farm /house use and commercial use at the packhouse. It is also the source of water for six houses.

During the packing season (March into June) there are 80+ people, lower numbers (20+) for the cool store season into October. There is commercial use of water for cooling the cool store evaporators. Water is also be used for bin hygiene and avocado processing.

It is equally important that Commercial and Industrial Use are included as environmental outcomes for all FMUs where these activities occur. By example the lower Waikato FMU has a concentration of post-harvest facilities associated with the commercial vegetable growing sector.

### **Irrigation, cultivation and production of food and beverages**

Council have used the wording from the Irrigation, cultivation and production of food and beverages value set out in Appendix 1B of the NPSFM:

*Water quality and quantity is suitable for irrigation needs, including supporting the cultivation of food crops, the production of food from farmed animals, non-food crops such as fibre and timber, pasture, sports fields and recreational areas.*

HortNZ is happy that the value of food has been recognised, however in our view food production and cultivation should be afforded environmental outcomes separate to other irrigation needs. The issues are different from for example sports field irrigation needs. Appendix 1B of the NPSFM unhelpfully bundles many uses but in the Waikato, there is the opportunity for a more nuanced approach.

### **Environmental Outcome**

Water quality and quantity is suitable for irrigation needs, including supporting the cultivation and **production** of food crops, the production of food from farmed animals, non-food crops such as fibre and timber, pasture, sports fields and recreational areas.

Include the Commercial and Industrial Use value to the Coromandel FMU

### **Feedback on potential principles for setting target attribute states**

It is HortNZs view that identifying current state must be based on robust scientific measurement. Regulators must use best practice based on good science when determining the current state. Furthermore, the measurement, data collection and reporting requirements must be relevant, practical, achievable and necessary. HortNZ considers that it is essential the current state is described in a statistical manner that accounts for natural variability and sampling error.

It is HortNZs opinion that the essential human health needs of people and the social, economic and social wellbeing of people is considered, in the process of selecting and prioritising values, outcomes and the associated attributes for FMUs.

The essential human health needs of people and the social, economic and social wellbeing of people must be a key consideration in determining the appropriate time scale for achieving target attribute states.

HortNZ supports a maintain and improve approach to establishing target attributes, but this should be within attribute bands and provide for statistical variability to ensure effort directed towards halting and reversing deterioration is not misdirected.

A suitably robust modelling decision support tool to inform decision making is required.

#### **Outcome required**

A suitably robust modelling decision support tool to inform decision making is required.

For those places where robust analysis indicates a timeframe for achieving bottom lines cannot be established, we recommend interim targets and interim timeframes are set and reviewed to account for improving information and technology.

## **6. Activities and Actions**

HortNZ notes below what HortNZ believes the freshwater policy review should focus on for each FMU.

**Coromandel** - Maintaining state of water quality and support water harvesting in times of high flow - eg water storage

**Hauraki** - Improve water quality by reducing contaminants entering waterways

**Taupo** - Maintain water quality

**Waikato/Waipā** - PC1 provided recognition of the value of commercial vegetable production (CVP) regionally and nationally and provisioned the expansion of CVP as a discretionary activity in some (limited in number and areal extent) identified sub-catchments; HortNZ currently has a number of appeals which are progressing to the Environment Court on Plan Change 1. The main changes sought are that CVP can practically operate and that freshwater limits within PC1 protect enough discharge allocation for CVP, so growers can produce enough vegetables to support the nation's health. The state of the environment must acknowledge the activity and identify the actions to give effect to 3.33 of the NPSFM 2020 and food production values elsewhere in the region.

## 6.1 Costs

Council have asked how costs should be borne as there will be a range of social, cultural, environmental and economic costs and benefits that will arise from this review. Without knowing what these will be, it is difficult to provide a response.

Growers have been hit with significant compliance costs over the last few years and particularly for smaller growers, will find it difficult to absorb any further financial pressures. HortNZ urges council to significantly consider any additional costs relating to this review and to absorb these costs within council as much as practically possible.

## 7. Potential limits and rules

The types of activities the plan will cover, and the types of rules and limits that will help manage freshwater better

### Food production

The plan must provide a tailored response to give effect to 3.33 of the NPSFM 2020 and food production values elsewhere in the region. This may require a suite of rules and limits on other activities to enable food production to occur.

Water quality and quantity suitable for supporting the cultivation and production of food crops extends to all aspects of the activity from propagation, irrigation, frost fighting, spray needs to wash and processing water.

### Environmental Flows and Limits

Environmental flows and levels must be set to support the “freshwater outcomes”, All freshwater management should start with the fundamental building blocks of a natural resource accounting model. This will enable better freshwater accounting particularly in catchments where ground and surface water hydrology are not appropriately measured and biophysical relationships are complex.

### Identifying Take Limits

Volume or rate should both be specified when appropriate. For groundwater the rate may be less important. For surface water the volume may be less important. However often both are desirable limits - but sometimes they are not.

### Water allocation

Council must develop criteria for transfers, identify methods for efficiency and to claw back overallocation so that the limits on resource use and take limits are reduced to levels that meet the outcomes sought.

### Highly Productive Land

Rules and limits should specifically provide for the utility of highly productive land.

### Accounting systems

Natural resource accounting requires the development of integrated biophysical models that are continuously improved through data collection to help predict spatial and temporal changes in the impacts of climate, soil, weather and ultimately land-use.

Decision support models are critical to:

- Developing links between environmental outcomes and environmental flows, levels; limits on resource use and take limits

- Estimating the fate of contaminants beyond the root zone
- Allocating responsibility for discharges and ensuring water taken and used is within take limits and limits on resource use
- Predicting the trajectory of freshwater resources in flux when land use change or subdivision, use and development proposals are being considered and authorised
- Supporting the development and cost benefit analysis required to by communities tasked with developing limits and attribute states; and determining the local expression of environmental outcomes to support Te Mana o te Wai; and
- Establishing numeric estimations of natural resources available for allocation.

